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E.O. 12065: N/A
TAGS: SNAR, PE
SUBJECT: MONTHLY REPORT- SEPTEMBER 1 OCTOBER 7

1. PROGRAM AGREEMENTS.- THE FINAL PROGRAM AGREEMENT OF FY 1981 WAS SIGNED ON SEPTEMBER 28 BY THE AMBASSADOR AND THE MINISTERS OF INTERIOR AND AGRICULTURE. THE AGREEMENT FOR $1 MILLION WILL ASSIST THE GOP IN BEGINNING A PROGRAM FOR THE CONTROL AND REDUCTION OF COCA CULTIVATION IN THE UPPER HUALLAGA. THIS AGREEMENT SUPPLEMENTS THE AID UPPER HUALLAGA DEVELOPMENT PROJECT AGREEMENT SIGNED ON SEPTHEBER 15 FOR A $15 MILLION LOAN AND $3 MILLION GRANT.

2. FILED TRIP TO CUZCO/QUILLABAMBA.- GARY SCHATZ VISITED THE COCA GROWING AREAS NEAR QUILLABAMBA IN CUZCO DEPARTMENT SEPTEMBER 20-25. HE REPORTED EXTENSIVE ACREAGES OF EASILY VISIDEL COCA CULTIVATION IN THE AREA, BUT LITTLE EVIDENCE OF LARGE-SCALE MANUFACTURE OF COCAINE PASTE. A TRIP REPORT HAS BEEN SUBMITTED TO INM. WE HAVE CONTRACTED A BRIEF STUDY OF COCA GROWING IN THE QUILLABAMBA AREA WITH AN EX-OFFICIAL OF THE GOP CADASTRAL SERVICE WHO HAS LIVED IN THE REGION FOR MANY YEARS. THE STUDY IS SCHEDULED FOR COMPLETION BY DECEMBER 30.

3. DETECTOR DOG PROGRAMS.- THE DETECTOR DOG PROGRAM HERE HAS BEEN PLAUGED WITH PROBLEMS OF ILLNESS AND/OR POISONING OF DOGS. CONVERSELY, THE DETECTOR DOGS IN 1981 HAVE BEGUN TO PERFORM WITH SOME EFFICIENCY. THE MOST RECENT SEIZURE BY THE DOGS IN THE LIMA AIRPORT ON OCTOBER 5 WAS 51 KILOS OF COCAINE PASTE DESTINED FOR COLOMBIA. THE DETECTOR DOGS HAVE SIEZED ABOUT 100 KILOS OF COCAINE PASTE THIS YEAR IN TOTAL.

4. OPERATIONS.- THE PIP IS CURRENTLY CARRYING OUT A LENGTHY OPERATION IN THE UPPER HUALLAGA VALLEY. RESULTS OF THE OPERATION THUS FAR ARE SEVERAL JUNGLE LABORATORIES DESTROYED, CHEMICALS AND COCA LEAVES DESTROYED, AND A SMALL AMOUNT OF COCAINE PASTE SEIZED. A RIVER OPERATION WITH THE GUARDI CIVIL RURAL PATROL UNIT (UMOPAR) IN THE PUCALLPA AREA WAS UNSUCCESSFUL.

5. UPPER HUALLAGA SITUATION.- THE UPPER HUALLAGA COMMITTEE OF COCA GROWERS STAGED A STRIKE DURING SEPTEMBER TO DRAMATIZE THE RESTRICTED LEGAL OUTLET FOR THEIR PRODUCTION OF COCA LEAVES. ACCORDING TO AN AP CORRESPNDENT VISITING TINGO MARIA DURING THE STRIKE, A SUBSTANTIAL ANTI-U.S. SENTIMENT WAS EVIDENT AMONG THE STRIKERS. THE COCA GROWERS HAVE ALSO BEEN IN TOUCH WITH THE MINISTRY OF AGRICULTURE AND THE PARLIAMENT TO PUBLICIZE THEIR DEMDS, ESSENTIALLY CALLING FOR A 10-YEAR PERIOD FOR THE REDUCTION OF COCA FILEDS, INDEMNIZATION OF ABOUT $2,000 FOR EACH HECTARE OF COCA ERADICATED, AND REPEAL OF EXISTING LAWS REGULATING COCA CULITVATION. THE STRIKE, THOUGH WORRISOME IN THE SENSE OF BEING A REACTION AGAINST THE UPPER HUALLAGA PROJECT, HAD NO APPARENT EFFECT ON GOP RESOLVE AND, IN FACT, MAY BE ANOTHER SIGN OF MANY THAT THE COCA INDUSTRY IN THE UPPER HUALLAGA CONTINUES IN A DEPRESSED, THOUGH CERTAINLY NOT INACTIVE STATE.

6. THE MOSCA LOCA CASE.- PERU'S MOST FAMOUS NARCOTICS TRAFFICKER, GUILLERMO CARDENAS, BETTER KNOWN AS MOSCA LOCA, IS NOW SERVING A 6-YEAR PRISON TERM. THROUGH SOME JUDICIAL MANUEVERING, MOSCA LOCA ALMOST MANAGED TO HAVE HIS SENTENCE DECLARED INVALID. PUBLICITY CONCERNING THE CASE PLUS ACTION BY THE SENIOR LEGAL OFFICIALS IN THE COUNTRY MANAGED TO HEAD-OFF AN ATTEMPT TO SECURE HIS RELEASE AND THE COURTS NOW PLAN TO REVIEW THE CASE IN DETAIL BEFORE DECIDING ON THE CORRCTNESS OF HIS CONVICTION, THE REVIEW MAY TAKE SEVERAL MONTHS. THE SUSPICION, SHARED BY ABOUT EVERYONE IN LIMA, IS THAT MOSCA LOCA'S MONEY WAS THE PRIMARY FACTOR BRINGING ABOUT HIS NEAR-RELEASE.
DECON 10/7/82
CORR

DEPARTMENT OF STATE/A/CDC/MR
REVIEWED BY E. B. Rondell DATE 1/26/83
RDS ☐ or XDS ☐ EXT. DATE
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